

## **2.0 PROGRAM OVERVIEW**

### **2.1 BACKGROUND**

WIC is a Federally funded nutrition program administered by State and local agencies. The WIC Program provides nutritious supplemental foods, nutrition education, and referrals to health care, at no cost, to low-income pregnant, postpartum and breastfeeding women, infants, and children up to five years of age. To be eligible for WIC, individuals must meet categorical, income, and residential requirements and be certified by a health professional to be at nutrition risk due to inadequate diet and/or medical conditions.

To carry out the mission of the Program, grants are awarded to State health departments, Indian Tribal Organizations, or comparable State agencies. These WIC agencies, in turn, award subgrants to local agencies to certify applicants and to deliver benefits to eligible persons.<sup>1</sup> State agencies receive one grant for food costs and a separate grant for nutrition services and administration (NSA) costs. Program caseload levels are dependent upon the number of individuals who can be supported with the funds that are allocated. However, substantial cost savings are achieved through manufacturer rebates on infant formula, enabling WIC to serve more participants.

Food packages are made available to participants based on their assigned risk category and nutritional need. In general, infants receive iron-fortified formula, iron-fortified infant cereal, and fruit juices high in vitamin C. Participating women and children receive fortified milk and/or cheese, eggs, hot or cold cereals high in iron, fruit and vegetable juices high in vitamin C, and either peanut butter or dry beans/peas. In addition to these foods, certain breastfeeding women also receive tuna, carrots, and both peanut butter and dry beans/peas. See WIC Program regulations (7 CFR part 246) for more information on the WIC Program.

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<sup>1</sup> Not all WIC State agencies award subgrants to local agencies. In some States, the State agency functions as both the State and local agency.

The following exhibit, Exhibit 2-1, presents a flow chart depicting the basic process for serving WIC participants in the clinic. At the time of certification, applicant health, income, and other pertinent certification information is collected and entered directly into the automated system. Once certified, the participant is issued a food package prescription that consists of one or more food instruments and any appropriate referrals are made. The food instrument(s) may be in the form of a check, voucher, or card, depending on State policy. Participants receive food benefits and nutrition education during their certification period, which is generally 6 months in duration. At the end of the certification period, participants may schedule an appointment to determine whether they continue to meet eligibility requirements, and therefore remain on the WIC Program, or are terminated from the Program.

## WIC PARTICIPANT PROCESSING

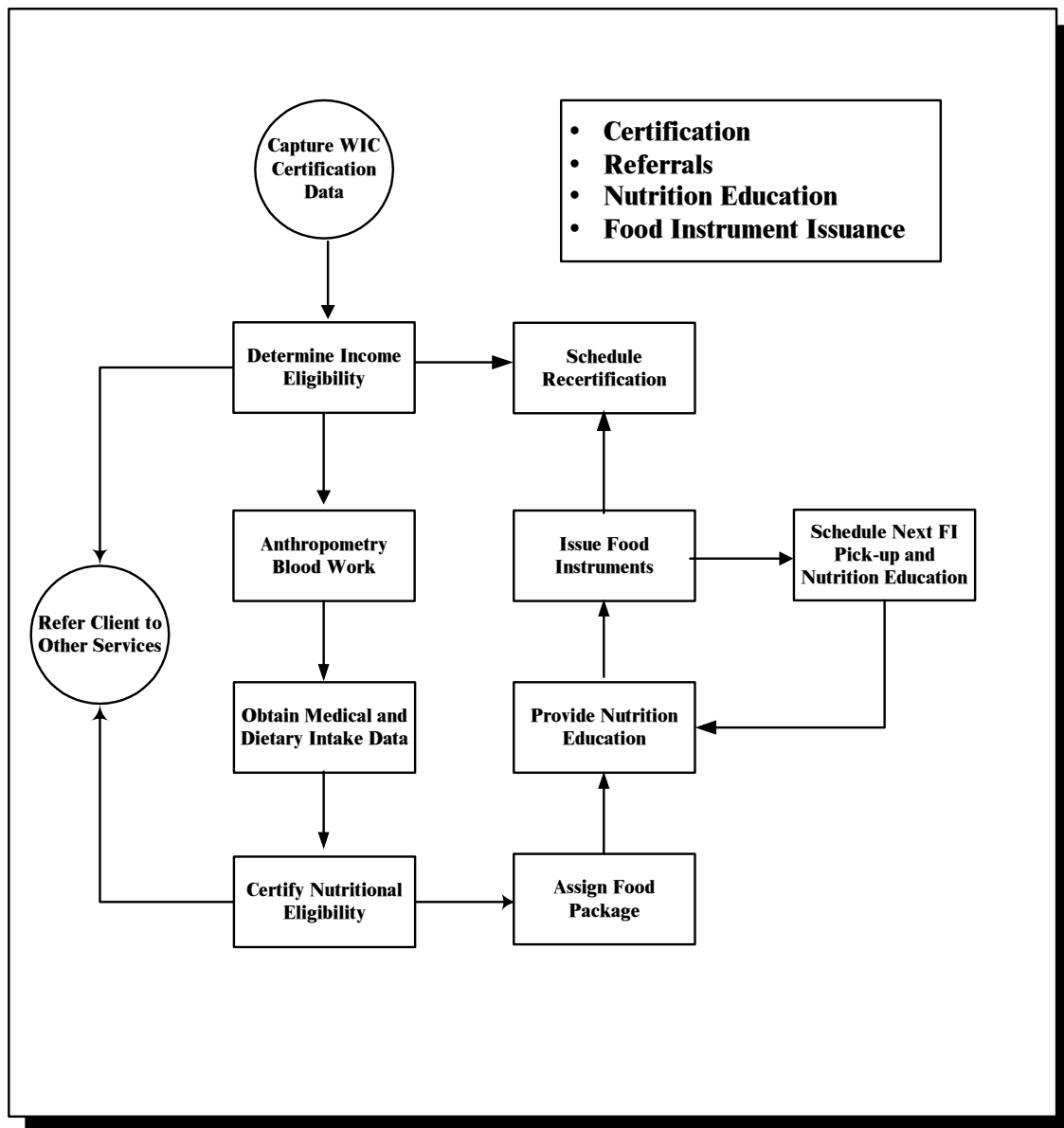


Exhibit 2-1: WIC Participant Flow

There are three methods used in the WIC Program to deliver food benefits to participants: retail purchase, direct distribution, and home delivery. The retail purchase system is the predominant food delivery system used among State agencies. In the retail purchase system, participants purchase foods from authorized retail outlets, grocery stores and pharmacies throughout each State. In the direct distribution system, foods are purchased by the State agency and stored at one or more distribution sites for pick up by participants. In the home delivery system, the State agency contracts with a vendor, often a dairy, to deliver foods directly to participants' homes. This document describes the functions that are used in a retail purchase system because this is the most widely used system.

In the paper benefit issuance system, food instruments are either in the form of a check or voucher. If a bank check is used, the checks are deposited in the vendor's bank account. The vendor's bank receives payment for WIC checks from the State agency's account at a specially contracted bank. Some State agencies use contractors as financial intermediaries in the check clearance process. Food instruments in the form of a voucher must be submitted directly to the State for reimbursement. An alternative to the paper check or voucher system is the issuance of electronic benefits. Descriptions of processes related to electronic benefits issuance are provided in the FRED-E document.

Exhibit 2-2 identifies the organizations providing data to and receiving data from the State WIC IS. State and local agencies interact with participants, vendors, other health services organizations, formula manufacturers, and financial intermediaries. The exhibit shows the information that flows to and from the specific entities.

## WIC SYSTEM DATA FLOW

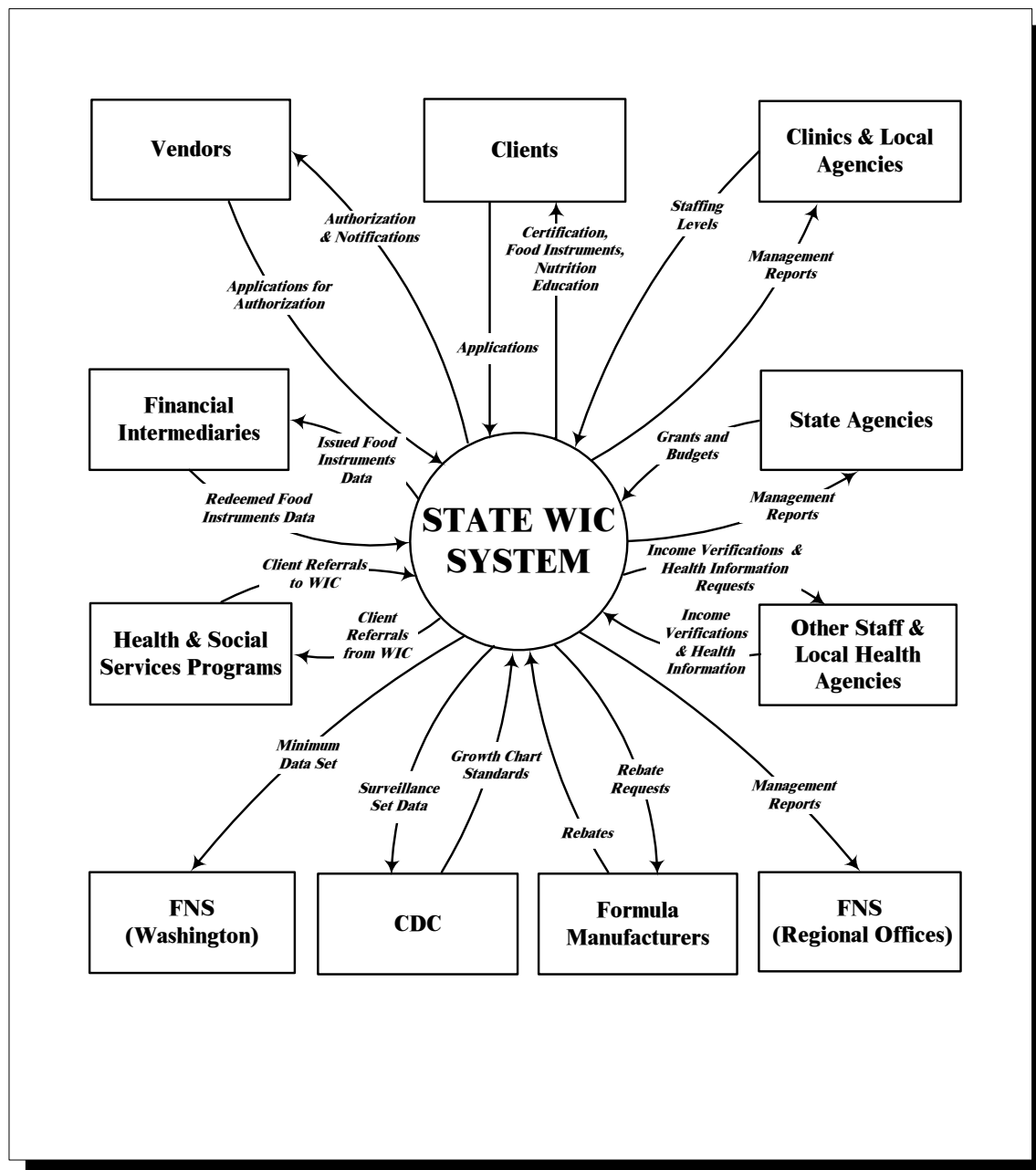


Exhibit 2-2: WIC Information System Data Flow

## **2.2 OBJECTIVES**

WIC information system development efforts are expensive. Careful planning of system functionality is critical to preventing expensive modifications and excessive operating charges. WIC has no special funding stream for systems development. Every dollar misspent is at the expense of nutrition services, vendor monitoring, or other aspects of program operations that compete for limited administrative dollars. Therefore, it is extremely important to have a clear idea of the objectives the system is expected to accomplish for a State WIC Program well before any effort is invested in the functional operations.

Each State will have a unique list of objectives for its automated WIC information system, varying according to its priorities, the strengths and weaknesses of the current operations in that State, and integration of State agency systems and operations with other State health department systems and programs. There are four major objectives that should be considered critical to any development effort:

- Improve program effectiveness
- Strengthen controls and accountability
- Increase operational efficiency
- Meet Federal reporting requirements

Improve Program Effectiveness. The principal objective of the WIC Program is to improve the health of nutritionally at-risk participants. Meeting this objective depends on effective administration of health assessment and food benefit delivery. Effective administration depends in part on accurate and timely information. System features that support this objective include:

- Participant health outcome monitoring
- Improved management reporting at all levels
- Service coordination with other health agencies
- Built-in flexibility to adapt to change

Strengthen Controls, Accountability, and Integrity. As the WIC Program grows in size and scope, it is critical that measures are taken to ensure that proper

controls and accountability are established for program funds and program integrity. System features that support this objective include:

- Provide audit trails of all transactions
- Control issuance of food instruments
- Provide accurate forecasting of expenditures
- Provide accurate rebate billing

Increase Operational Efficiency. Another important objective of an automated WIC information system is to ease the operational burden at State and local agencies. System features that support this objective include:

- Automated food instrument production and reconciliation
- On-line enrollment data entry and editing
- Appointment scheduling and tracking

Meet Federal Reporting Requirements. Automated WIC information systems should be designed so that they meet the Federal reporting requirements specified in WIC regulations and program directives. Federal reporting requirements include:

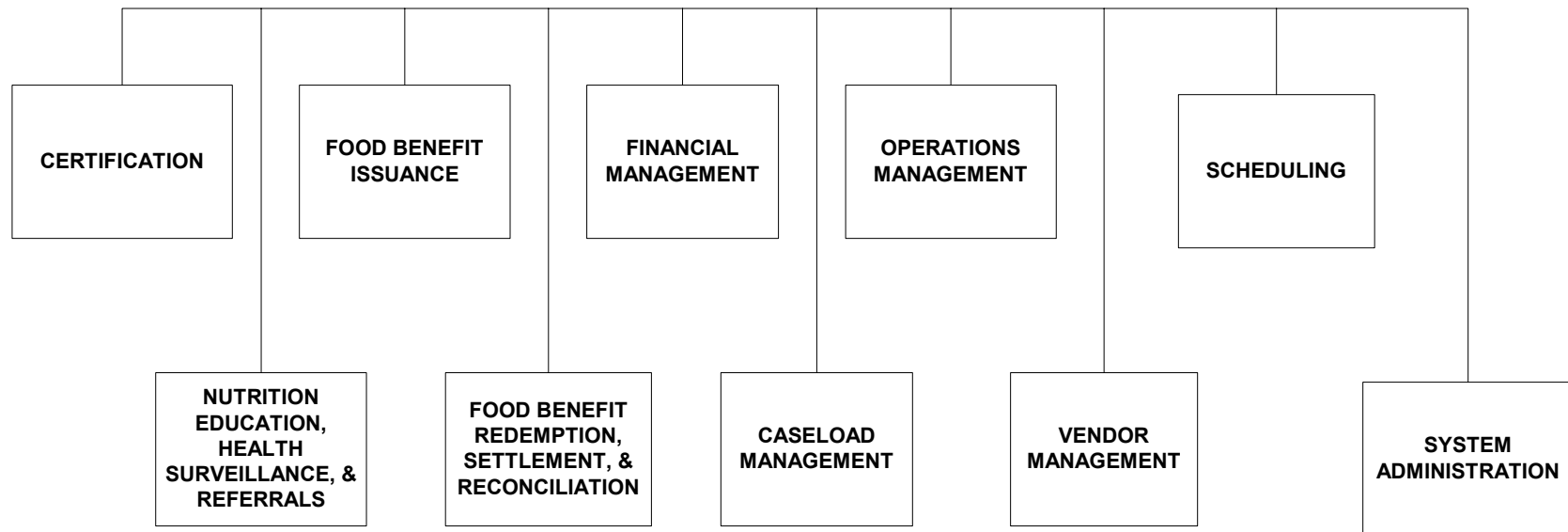
- Provide Participant Characteristics Minimum Data Set
- Provide required Federal participation and financial reports (FNS- 798 and Participant Characteristics datasets)
- Provide The Integrity Profile (TIP) report electronically to FNS
- Support preparation of WIC State Plans

### **2.3 SUMMARY OF FUNCTIONAL AREAS**

There are ten WIC information system functional areas: Certification; Nutrition Education and Health Surveillance and Referrals; Food Benefit Issuance; Food Benefit Redemption, Settlement, and Reconciliation; Financial Management; Caseload Management; Operations Management; Vendor Management; Scheduling; and System Administration.

The following diagram, Exhibit 2-3, provides a high level depiction of WIC Information System Functional areas.

**WIC FUNCTIONAL REQUIREMENTS - FUNCTIONAL DECOMPOSITION DIAGRAM  
HIGH LEVEL**



**Exhibit 2-3: WIC Information System Functional Areas**



Certification. This functional area should support the certification of qualified applicants into the WIC Program, determination of nutrition risk, and prescription of the appropriate food packages. It should capture eligibility data and other information about participants in the program. This functional area should also allow local WIC agencies throughout the State to create applicant waiting lists, schedule appointments, and share and compare participant data.

Nutrition Education, Health Surveillance, and Referrals. This functional area should capture nutrition-related information about WIC participants and the programs to which they are being referred. Data will be collected through interviews, standardized health and nutrition education questionnaires, and diet evaluation tools during WIC certification periods.

Food Benefit Issuance. This functional area should support the issuance of food benefits that provide the appropriate supplemental foods to WIC participants. This functional area should address the two major types of paper food instruments: checks and vouchers.

Food Benefit Redemption, Settlement, and Reconciliation. This functional area includes processing for paper benefits. It supports the voiding and redemption of food instruments, performs a one-to-one reconciliation of all food instruments, and supports the tracking of payments to vendors to reimburse them for rejected payments.

Financial Management. This functional area supports the maintenance of records of the receipt and disbursement of WIC funds allocated to the State agency. It should allow State and local agencies to prepare accurate and timely financial reports based on administrative and program fund expenditures. It should also provide a means of calculating and invoicing manufacturer rebates on the purchase of infant formula and other rebated items. This functional area should promote sound funds management practices throughout all levels of the WIC Program.

Caseload Management. This functional area should help State agencies ensure the most equitable distribution of WIC Program caseload among local agencies.

The system should also provide the capacity to monitor and modify caseload allocations in response to changes in participation or available funding.

Operations Management. This functional area should provide general support for State and local agency operations. The WIC information system should maintain information on local agencies and clinics, WIC participants, and outreach organizations such as physicians and church groups. The system should also provide productivity statistics to support the analysis of the efficiency and effectiveness of the operations at the local agency level as well as a mechanism for monitoring participant satisfaction, customer service, and inventory. Program integrity, an area of increasing importance, is addressed in this functional area. Tracking of participant sanctions and claims activity is a key aspect of program integrity.

Vendor Management. This functional area should support the management of the retail vendor aspect of the WIC Program. It should support State agencies in selecting competitively priced, non-abusive vendors for authorization. The system should enable State agencies to monitor authorized vendors, help identify and investigate vendors who may be abusing the program, support enforcement actions, including the termination of abusive vendors, and monitor sanctions against vendors.

Scheduling. This functional area is suggested for consideration to support scheduling events for all aspects of the WIC Program. Although focused at local agencies and clinics, the scheduling function should be generic enough to be used by other WIC offices. The system should enable agencies to set up a master calendar, schedule resources such as equipment and meetings rooms, assign appointments of various types for participants, and generate appointment notices.

System Administration. This functional area is intended to contribute to the overall flexibility, efficiency, and security required to operate and maintain the system. This functional area provides the capabilities to maintain information contained in system data (reference) tables, to control general access to the system as well as the ability to perform system “housekeeping” and maintenance

functions, and to move certain files to off-line storage for increased system efficiency.

## **2.4 OPERATING ENVIRONMENT**

Although the functional requirements for a WIC information system relate mostly to the information processing needs of the WIC Program, it is important to consider the environment within which the system will operate. Since this document addresses "generic" requirements for a diverse set of State and local WIC agencies, rather than those of a single organization, it is not possible to describe a single program environment.

WIC Programs and agencies differ with regard to the size of the program, organizational structure, extent of integration with other public health programs, and program policy and operations. However, there are a number of characteristics of the environment within which a WIC information system would function that merit discussion at a generic level. This section describes the specific user groups of the system and the various Program stakeholders.

### **2.4.1 System Users**

State and local WIC agency staff are the primary direct users of the automated WIC information system. Other individuals and organizations also interact with the system, providing and/or using data that is processed by the system. A technical support unit or Help Desk with established protocols and well-trained staff should be available to all users of an automated WIC information system. Survey capability of all users of a Help Desk will help ensure excellent and appropriate customer service. Following is a description of user groups and their relationship to the WIC IS.

#### **2.4.1.1 Local Agencies and Clinics**

State and local WIC agency staff are the primary users of the automated WIC information system. Other individuals and organizations also interact with the system, providing and/or using data that is processed by the system. Certification, nutrition assessment and education, and the issuance of food benefits are the responsibilities of the local agencies and clinics. The staff

maintains direct contact with WIC participants and enters all of the participant information into the system. Appointments for nutrition education and food benefit pick-up are scheduled at these sites as well. Local agencies and clinics also use the WIC information system for on-demand issuance of food benefits.

#### **2.4.1.2 State Agencies**

State agencies develop WIC policy and procedures (consistent with Federal regulations), provide overall WIC Program management, and conduct certain WIC operations. Some State agencies allocate caseloads, perform the central reconciliation of food benefits, and authorize and monitor retail vendors. Although functions vary from State to State, the role of the State agency is often to provide local agencies with check or voucher blank stock and to monitor food instrument inventories. Some State agencies produce food benefits centrally in advance of distribution to local agencies for issuance to participants. Consistent with their overall program management responsibilities, State agencies provide oversight of local agency operations, perform vendor management and budgeting and tracking of food and NSA expenditures, and supply system reports to local agencies. State agencies use reports to monitor and assess program activities, trends, and expenses. State agencies also provide technical support for automated WIC information systems. Costs include staffing, training of staff, leasing of equipment, and the cost of second level technical support.

#### **2.4.1.3 FNS - Headquarters and Regional Offices**

FNS establishes overall WIC Program policy, and provides guidance and technical assistance to State agencies through its regional offices. Although FNS is not a hands-on user of State WIC information systems, FNS is a user of reports generated by State WIC information systems to meet Federal reporting requirements. These reports assist FNS in allocating funds, developing national statistics for program evaluation, and ensuring that the WIC Program meets its intended objectives. During a management evaluation, the FNS reviewer may test the State or local program's compliance with Federal regulations in such areas as certification and food package prescriptions. The reviewer may use the IS to look up WIC participant records.

#### **2.4.2 WIC Participants**

WIC participants receive several outputs of the State IS, in particular food benefits, referrals, nutrition education, and appointment notices. Participants do not interact with the system hands-on, but they provide data that is entered into and processed by the system (in States that utilize kiosks for nutrition education, participants directly provide information that is entered into the system).

#### **2.4.3 Other Health and Social Service Agencies**

The WIC information system is used to assist WIC agencies in coordinating with other agencies to ensure that WIC participants who may be eligible for other programs are appropriately referred. In some cases, the system is used to enhance communication between WIC and other health and social service programs. Some of the programs WIC coordinates with are the Immunization Program, Medicaid, TANF, Maternal and Child Health, and the Food Stamp Program. Participant nutrition surveillance information is shared with the Centers for Disease Control and Prevention (CDC).

#### **2.4.4 Financial Institutions and Intermediaries**

Redeemed food benefits, or reports of redeemed food benefits, are provided to the WIC information system by banks or other financial service organizations. They, in turn, generate food benefit reconciliation reports from the WIC information system.

#### **2.4.5 Vendors**

Retail vendors play an important role in the WIC Program, ensuring that participants receive authorized WIC foods. Vendors may receive system-generated correspondence for authorization to participate in WIC. In some States, vendors may be required to provide detailed food pricing data, which may be entered into the State WIC information system.

#### **2.4.6 Food Manufacturers**

Infant formula manufacturers are the main source of rebates to the State agencies. In some State agencies, cereal and juice manufacturers provide rebates as well.

The WIC information system produces reports that are provided to manufacturers to support rebate billings.

## 2.5 FUNCTIONAL DISTRIBUTION

The following exhibit provides an overview of the functions that would be conducted by State and local users.

**Exhibit 2-4: WIC Functional Distribution**

<b>WIC FUNCTIONAL DISTRIBUTION</b>			
<b>FUNCTIONAL AREA</b>	<b>FUNCTION</b>	<b>STATE AGENCY</b>	<b>LOCAL AGENCY</b>
CERTIFICATION	• Manage Application Process		✓
	• Determine Nutrition Risk of Applicant		✓
	• Prescribe Food Package		✓
	• Process Participant Data Changes and Transfers		✓
	• Process Transfers		✓
	• <u>Establish EBT/ESD Account and Authorize Benefits</u>	See FRED-E	
	• Conduct Certification Reporting	✓	✓
NUTRITION EDUCATION, HEALTH SURVEILLANCE, AND REFERRALS	• Maintain Nutrition Education Data		✓
	• Assess Individual Participant Dietary Intake		✓
	• Perform Participant Referrals		✓
	• Provide WIC Health Statistics and Other Information to External Entities	✓	✓
	• Determine Immunization Status		✓
	• Conduct Nutrition Education, Health Surveillance, and Referrals Reporting	✓	✓
FOOD BENEFIT ISSUANCE	• Maintain Food Package Data	✓	✓
	• Issue Paper Food Instruments (Paper Food Instrument Systems)		✓
	• <u>Issue Electronic Benefit Card (EBT Systems)</u>	See FRED-E	
	• Conduct Food Benefit Issuance Reporting	✓	✓
FOOD BENEFIT REDEMPTION, SETTLEMENT, AND RECONCILIATION	• Pay Vendor for Food Benefits Redeemed (Paper Food Instrument Systems)	✓	
	• <u>Pay Vendor for Food Benefits Redeemed (EBT Systems)</u>	See FRED-E	
	• <u>Maintain Food Transaction Data (EBT Systems)</u>	See FRED-E	
	• Reconcile Food Instruments (Paper Food Instrument Systems)	✓	
	• Conduct Food Benefit Redemption, Settlement, and Reconciliation Reporting	✓	

**FUNCTIONAL REQUIREMENTS DOCUMENT FOR A MODEL WIC INFORMATION SYSTEM**  
**SECTION 2: PROGRAM OVERVIEW**

<b>WIC FUNCTIONAL DISTRIBUTION</b>			
<b>FUNCTIONAL AREA</b>	<b>FUNCTION</b>	<b>STATE AGENCY</b>	<b>LOCAL AGENCY</b>
FINANCIAL MANAGEMENT	• Manage Grants and Budgets	✓	✓
	• Monitor Program Expenditures	✓	✓
	• Process Manufacturer Rebates	✓	
	• Conduct Financial Management Reporting	✓	✓
CASELOAD MANAGEMENT	• Capture and Maintain Caseload Data	✓	
	• Allocate Caseload	✓	
	• Monitor Caseload	✓	✓
	• Conduct Caseload Management Reporting	✓	✓
OPERATIONS MANAGEMENT	• Monitor Administrative Operations	✓	
	• Manage Participant Outreach	✓	✓
	• Monitor Customer Service for Participants, Vendors and Providers	✓	
	• Provide Survey Capability	✓	✓
	• Maintain Inventory	✓	✓
	• Monitor Program Integrity	✓	✓
	• Conduct Operations Management Reporting	✓	✓
VENDOR MANAGEMENT	• Maintain Vendor Authorizations	✓	✓
	• Monitor Vendor Training	✓	
	• Support Vendor Communications	✓	
	• Perform Confidential High-Risk Vendor Analysis	✓	
	• Track Compliance Investigations and Routine Monitoring	✓	
	• Monitor Sanctions and Appeals	✓	
	• Coordinate with Food Stamp Program	✓	
	• Conduct Vendor Management Reporting	✓	
SCHEDULING	• Maintain Master Calendar	✓	✓
	• Schedule Appointments	✓	✓
	• Generate Appointment Notices	✓	✓
	• Conduct Scheduling Reporting	✓	✓
SYSTEM ADMINISTRATION	• Maintain System Data Tables	✓	✓
	• Administer System Security	✓	✓
	• Manage System	✓	✓
	• Archive System Data	✓	✓
	• Conduct System Administration Reporting	✓	✓